



Youth employment needs in Nigeria

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Question

- What is the evidence on youth employment needs and a “demographic dividend” in Nigeria?

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1. Summary

There has been increased interest in youth issues in sub-Saharan Africa in recent years, especially related to employment. Nigeria is expected to grow to over 440 million people by 2050, becoming the third most populated country in the world. Nigerians see unemployment as one of the main problems facing the country, well above poverty; the lack of job opportunities is specifically concerning for young people (World Bank, 2016). This rapid review provides a brief picture of youth employment needs in Nigeria. The job market in Nigeria is complex and multifaceted, with underemployment being a big issue. Although 'youth' has risen as a category in recent years, it has many definitions¹; young people are heterogeneous and it is often unclear to whom the label applies (Flynn et al., 2017). Furthermore, the literature highlights issues with official demographic data in Nigeria and obtaining good employment data. Hence, exact data on some aspects of youth employment in Nigeria could not be found.

Key findings from this review include:

Employment trends and needs:

- The working-age population in Nigeria is set to increase rapidly in absolute terms: by some 66 million people between 2010 and 2030 (World Bank, 2016).
- Some 40 to 50 million (or more) additional jobs will be needed to employ Nigeria's population between 2010 and 2030. These numbers translate into over 2 million additional jobs per year (World Bank, 2016).
- Generally, in Nigeria, women experience higher rates of unemployment and underemployment than men; youth have higher unemployment rates than adults; and underemployment is higher in rural than in urban areas (although unemployment is higher in cities) (Making Cents International, 2016).

Types of employment:

- The main employment sectors in Nigeria include wage work, household enterprise activities, or agriculture (Evoh & Agu, 2015). More than 80% of the population works in agriculture or is engaged in a household non-agricultural enterprise (World Bank, 2016).
- Young people in Nigeria are not idle by choice but lack opportunities to work. Most employed people in Nigeria work for themselves or their families, in or close to home, and with informal working conditions (World Bank, 2016). Hence, the employment problem in Nigeria often manifests in underemployment in the informal sector (Federal Republic of Nigeria, 2017).
- Gender plays a key role in school-to-work transitions as young women face challenges such as early marriage, childbirth, lower educational attainment, and limited ability to own land and other assets (Making Cents International, 2016).
- Rural youth tend to locate work by age 25 after leaving school, usually in farming, home enterprises, and construction. By age 30-35, youth in urban areas have usually established long-term work, often in informal retail, home enterprises, manufacturing, construction, and professional services (Making Cents International, 2016).

¹ For example, the UN classifies individuals between the ages of 15-24 years as youth. However, the African Union and most African countries consider youth to be those within the 15-35 year age bracket.

- The 25-34 age group is significantly less likely to be engaged in farming than is the 15-24 year group, suggesting that youth may start in farming due to lack of other alternatives, but then look to leave it when they find better options (Allen et al., 2016). Maïga et al., (2015) suggests that the youth (16-35) is leaving agriculture to go to non-agricultural jobs, with youth in southern parts of Nigeria exiting at a faster rate than in the North.

Sectoral jobs growth:

- High growth sectors include trade, construction, hospitality, and manufacturing. These sectors represent the principal job creators in the formal economy; along with administrative and support and education (Making Cents International, 2016).
- The informal sector provides the majority of jobs growth in Nigeria (Adesugba & Mavrotas, 2016). Youth are mainly absorbed into the informal job sector, with the share of youth in the informal sector being higher than in the formal sector (Adams et al., 2013).
- Manufacturing industries, information and communications technology (ICT), and entertainment services have made important contributions to recent economic growth in Nigeria (World Bank, 2016).
- Treichel (2010) highlights light manufacturing, construction, ICT, wholesale/retail, meat and poultry, oil palm, and cocoa as sectors with the highest employment potential. The feasibility of accomplishing growth in these sectors varies widely by geographical area.
- Agriculture and small non-agricultural household enterprises in both rural and urban areas will account for the bulk of new jobs for the foreseeable future (World Bank, 2016; Filmer & Fox, 2014; Townsend et al., 2017; Allen et al., 2016).
- In Nigeria, based on food demand projections, employment in food processing is expected to grow in the near-term (Allen et al., 2018, p. 16).
- Food away from home (FAFH) (i.e. prepared food and beverages purchased for consumption outside the home, including informal street food) should generate high quality jobs for youth in Nigeria, even if the absolute number of jobs supported will not be as large as in other sectors (Allen et al., 2016). FAFH is an important sector for women.

This review drew on a range of academic and grey literature, especially from international organisations such as the World Bank. Although this review found relevant literature from both academic and non-academic sources, it has been highlighted that there is a general dearth of published empirical research about Nigeria's demography (Reed & Mberu, 2014). There are also discrepancies between different sources of data on population dynamics, for example official national statistics and UN estimates (possibly due to differences in measurement definitions). Gaps in evidence on youth employment include: how business reform, legal reform and infrastructure policies affect young people in practice remains weak, much finer-grained empirical research is needed; a better understanding of the very different needs, expectations, and potentials of different young people will inform better-targeted solutions (Irwin et al., 2018).

2. Population dynamics and trends

General population trends

According to the most recent World Population Prospects 2019 from the Population Division of UNDESA, Nigeria had a total population of 195.88 million people in 2018, an annual population

growth rate of 2.6% (between 2015-2020), and 18.9% of Nigeria's population was between 15-24 years of age in 2015. Given Nigeria's high population size and population growth rate, even assuming a decline in fertility, the population of the country is expected to grow to **over 440 million people by 2050**.²

Nigeria has experienced **rapid urban population growth** since 1960. However, data shows that urban natural population growth has been the dominant component of urban growth in this period (rather than rural to urban migration, or reclassification of rural areas as urban); it is likely to remain so in the immediate future (Farrell, 2018).

Males and females in the age range of 15 to 34 are estimated to constitute more than one-third of the Nigerian population. These youth make up the largest proportion of people in Nigeria, with a gender distribution of 51.6% female and 48.4% male. The largest proportion of youth in Nigeria reside in the urban areas of Lagos in western Nigeria, followed by Kano in the North (Adesugba & Mavrotas, 2016). The highest proportion of uneducated youth is female.

Demographic dividend

The youth share of the working age population in Africa is expected to decline very slowly. Some expect that this demographic transition to a high youth share in the labour force will generate a demographic dividend for Africa that will help boost economic growth. Reed and Mberu (2014, p. 320) explain that "the economic growth potential posed by the demographic transition is created by a decline in mortality that precedes a large decline in fertility. This period of lower mortality and higher fertility, often known as a baby boom, will ultimately lead to a working age bulge or a potential demographic dividend when this large cohort of children grows up. However, whether the working age bulge constitutes a dividend or not also depends on the availability of employment." Fox (2019, p. 57) explains that "the size of the dividend depends on the rate of demographic transition, and Africa's transition is proceeding very slowly."

Some researchers argue that Nigeria is projected to experience a demographic transition between now and 2050, with a projected gradual decline in gross dependency ratio, and is on the verge of experiencing a potential demographic dividend (see Omoju & Abraham, 2014; Reed & Mberu, 2014). However, Nigeria's ability to capitalise on this demographic dividend is highly dependent on policy choices and overcoming key challenges such as youth unemployment, lack of economic opportunities, lack of access to basic education, high HIV prevalence rate, and high poverty rate (Omoju & Abraham, 2014; Reed & Mberu, 2014). Furthermore, others argue that decline in fertility rates in Nigeria has stalled in the past 15 years and, as a result, Nigeria's projected trajectory differs greatly from that of developing regions outside of Africa that have experienced demographic dividends (World Bank, 2016, p. 42).

Key statistics on employment

Unemployment is cited by Nigerians as one of their top challenges for their country (World Bank, 2016). Worries over unemployment can be understood to reflect concerns about a lack of real earning opportunities, which in turn affect living standards, economic development, and

² Statistics taken from <https://population.un.org/wpp/DataQuery/> [accessed 29/10/2019]

social cohesion. Unemployment, as defined by the International Labour Organisation (ILO)³ was at 6.2% in 2016 in Nigeria (see Table 1). However, from other official sources such as the National Bureau of Statistics for Nigeria, unemployment rates⁴ were put as 23.10% in Q3 of 2018, with youth unemployment put as 36.5%.

Table 1: ILO employment statistics for Nigeria

Indicator	Value (%) in 2016
Employment-to-population ratio ⁵	49.0%
Unemployment rate	6.2%
Youth labour force participation rate ⁶	30.0%
Youth labour force participation rate, men	33.4%
Youth labour force participation rate, women	26.5%
Youth unemployment rate ⁷	18.3%
Youth unemployment rate, men	17.6%
Youth unemployment rate, women	19.1%
Share of youth not in employment, education or training (NEET) ⁸	21.4%
Share of youth not in employment, education or training (NEET), men	18.3%
Share of youth not in employment, education or training (NEET), women	24.5%

Source: Taken from ILO Statistics Country Profiles, Nigeria

(<https://www.ilo.org/ilostatcp/CPDesktop/?list=true&lang=en&country=NGA>) [accessed 28/10/2019]

³ ILO defines the unemployment rate as the number of persons who are unemployed as a percent of the total number of employed and unemployed persons (i.e., the labour force). Unemployed refers to the share of the labour force that is without work but available for and seeking employment. See https://www.ilo.org/ilostat-files/Documents/description_UR_EN.pdf [accessed 31/10/2019]

⁴ The National Bureau of Statistics for Nigeria, the unemployment rate measures the number of people actively looking for a job as a percentage of the labour force. Taken from <https://tradingeconomics.com/nigeria/unemployment-rate> [accessed 31/10/2019]

⁵ The employment-to-population ratio expresses the number of persons who are employed as a percent of the total working age population.

⁶ The labour force participation rate expresses the labour force as a percent of the working-age population. Data only refers to the population of youth, which should be those persons between the ages of 15 and 24 years. In practice however, some countries apply different definitions of youth.

⁷ The unemployed comprise all persons of working age who are without work, available for work, and looking for work, unless otherwise stated. The unemployment rate expresses the number of unemployed as a percent of the labour force. This indicator refers to the young population only, which comprises persons of ages 15 to 24 inclusive, unless otherwise stated.

⁸ The youth not in employment, education or training are persons between the ages of 15 and 24 years who are unemployed and out of the education system. Data provided conveys the share of this category of youth as a percent of total youth. In practice, some countries define different age band to identify the youth.

Underemployment is a big issue in Nigeria, with many workers relying on seasonal work and subsistence agriculture (Making Cents International, 2016). In a desk-based research report for USAID on youth employment in Nigeria, Making Cents International (2016, p. 1) estimates that “nearly a quarter of all Nigerians lack full-time employment; including almost half of all young people.” There is also **a lack of formal sector employment opportunities**. Nigeria introduced the classification of “underemployment” for workers working 20–40 hours per week in 2014, which has reduced official unemployment figures and lent additional nuance to understanding of the country’s labour market. Making Cents International (2016, p. 9) summarises that “[w]omen experience higher rates of unemployment and underemployment than men; youth have higher unemployment rates than adults; and underemployment is higher in rural than in urban areas (although unemployment is higher in cities).”

3. Youth employment trends and needs

Employment needs and barriers

Mader (2018, p. 1) highlights that young people in Africa do not “generally lack the skills or education to work, nor are idle by choice” but “the provision of opportunities to work is the main challenge.” This is also reflective of the situation in Nigeria. There is a need for new and more effective demand-oriented policies that generates livelihood opportunities to sustainably address youth un/underemployment in Africa, rather than focusing on supply-side interventions and further skilling up the work force. Given the large age ranges in different definitions and the intersecting of identities (e.g. gender, ethnicity, privilege), **‘youth’ may not be much of an identifier or unifier within policies targeting ‘youth’ employment** (Mader, 2018, p. 2).

In Nigeria, the employment problem often manifests in underemployment in the informal sector (Federal Republic of Nigeria, 2017, p. 9). In general, in Nigeria “most employed individuals work for themselves or their families, in or close to home, and with informal working conditions. Some work multiple jobs, and many of them do not earn enough to escape poverty” (World Bank, 2016, p. viii). Most people in Nigeria work in low productivity, low income jobs with no job or income security. **Nigeria is a middle-income country and the largest economy in Africa but has relatively high poverty rates**. Agriculture and mining together account for 40% of GDP, but with other sectors in industries and services leading economic growth. High population growth, polarised growth patterns, and lack of employment diversification have prevented economic growth from reducing poverty (World Bank, 2016, p. viii). There is also **increasing inequality** in Nigeria between the north and the south, and between large urban areas and elsewhere. Job trajectories are determined largely by the circumstances in which people were born (World Bank, 2016, p. xvi).

Fox and Kaul (2017, p. 11) in their paper on youth employment in low-income countries, highlight different employment challenges faced by countries at different stages of economic development and transformation. They create a typology of low-income and lower-middle-income countries based on two key factors: the initial income level of a country, and the potential of its economy for inclusive growth and transformation (i.e. the extent of structural and employment transformation). They distinguish five categories, each with distinct employment challenges. Fox and Kaul (2017, p. 12) classify Nigeria as a *low-potential, lower-middle-income country (including resource rich)*, where “[r]esource wealth has led most of these countries to develop rentier

economies⁹. Political and economic life is dominated by an elite that distributes some mineral wealth through public goods but otherwise uses the public sector to enrich itself. Education levels of youth entering the labour force are rising, but private investment is low with few opportunities.” The inclusive growth challenges can be summarised as: dependence on resource exports, which creates growth volatility; the rent economy excludes most of the population; and a high fertility, rapidly growing youth population. Key youth employment challenges are: urban, educated, and slum youth tend to be unemployed; youth in rural areas have few employment opportunities, and governance challenges limit demand side options for employment.

Generally, rural young people’s (both men and women) specific aspirations and occupational trajectories are poorly understood. Furthermore, there is often a misalignment between youth aspirations and job opportunities. Elias et al. (2018) draw upon qualitative data from 50 sex-segregated focus groups with youth across rural India, Mali, Malawi, Morocco, Mexico, Nigeria, and the Philippines to show that across the study’s regional contexts, young rural women and men predominantly aspire for formal blue and white-collar jobs. They highlight that “these youth experience an aspiration-achievement gap, as the promise of their education for securing the formal employment they seek is unfulfilled, and they continue to farm in their family’s production” (Elias et al., 2018, p. 82). The research further argues that various gender norms that discriminate against women in agriculture dissuade young women from aspiring for agriculture-related occupation.

There are a number of barriers that prevent rural youth from taking advantage of opportunities for independence, these include certain capacities, skills, financial resources and key assets (such as land ownership). Social norms and local circumstances (agrarian dynamics and the policies and institutions that underpin them) also influence this. Young rural women in particular often face social constraints that prevent them from pursuing capacities and connections that would enable them to be independent. Rural youth from ethnic minorities or other marginalised groups may similarly face more severe constraints than members of the dominant ethnic group (IFAD, 2019, p. 32).

Job market analysis and trends

The 2015 Nigeria Jobs Report: *More, and More Productive, Jobs for Nigeria – A Profile of Work and Workers* (World Bank, 2016), defines the structure of the Nigerian labour force and identifies areas and sectors of the economy where potential jobs would need to be created. The report highlights the following trends:

- Based on national data from 2011, 53 million Nigerians between the ages of 15 and 64 were working, and half of them were working in low-productivity agriculture. 8 million young people ages 15–24 were not working or studying (World Bank, 2016, p. viii).
- More than 80% of the population works in agriculture or is engaged in a household non-agricultural enterprise (World Bank, 2016, p. 15).
- Young people are less than half as likely to be employed as older workers. Only 32% of young people (15-24) are working, compared to 77% of adults (25-64). The gap is explained partly by the fact that many young people are still in school, but also by the

⁹ I.e. a state that derives all or a substantial portion of its national revenues from the rent of its indigenous resources from the outside world on a regular basis.

greater difficulties they face in finding a job when they look for one. Unemployment among young people is 14%, compared to 5% for adults (World Bank, 2016, p. 15).

- Access to employment differs between men and women. While nearly 70% of men are working, less than 60% of women are employed. Women who are not working are generally not looking for a job (World Bank, 2016, p. 16).

The following observations and trends have been highlighted in other literature in relation to the labour force and youth employment:

- The main employment sectors in the Nigerian economy include wage work, household enterprise activities, or farming. Another significant trend is that the labour market in Nigeria is dominated by self-employed people, particularly, those in farming and small-scale enterprises (Evoh & Agu, 2015).
- A desk-based review by Making Cents International (2016, p. 6) of youth employment trends in Nigeria, highlights **trade, construction, hospitality, and manufacturing** (including agricultural-related manufacturing, textiles, plastics and rubber products, and pharmaceuticals) as high jobs growth sectors (by percentage) in Nigeria. These sectors represent the principal job creators in the economy; along with administrative and support and education. Although the data these trends are taken from only measure formal sector jobs and therefore under-represent agriculture. Non-agricultural household enterprises are also major source of income generation and household production in Nigeria. The informal sector accounted for 56% of all new jobs in Q3 2012 and has made greater contributions to jobs growth than the formal sector (Making Cents International, 2016, p. 8).
- In 2015, the labour force increased to 76.9 million from 72 million in 2014, with an approximate 12% increase between 2010 and 2014 alone, and the majority of whom were youth. On average, about 1.5 million youth are expected to enter the job market in Nigeria annually (Adesugba & Mavrotas, 2016, p.10).
- Adesugba and Mavrotas (2016, p. 10) highlight that jobs creation in Nigeria's economy on an annual basis are mainly created in the informal (61%), formal (33%), and public (5%) sectors,¹⁰ with the informal sector providing the majority of jobs. Hence, youth are mainly absorbed into the informal job sector, which is characterised by less structure and organisation, increasing the chances of underemployment and unfavourable working conditions.
- For Nigeria, the share of youth in the informal sector is higher than in the formal sector (Adams et al., 2013). Most employment in the non-agricultural informal sector is in trade and services. A majority of Nigeria's population remains in the agricultural and informal non-agricultural sectors. Compared with formal workers, informal workers are less literate and numerate and earn less.
- A study by Allen et al. (2018) highlights that in Nigeria, 71% of the active 15 to 19 age cohort works in agriculture as opposed to 31% for the 30-34 age cohort.

¹⁰ Here formal-sector jobs refer to employment in establishments that employ 10 or more persons, or formal professional services that employ less than 10 persons. Informal-sector jobs are those generated by individuals or businesses that are unregistered, operate with no accounts or structures, and often employ less than five employees. Public institutions include government ministries, departments, and agencies, and academic and research institutions at the federal, state, and local government levels (Adesugba & Mavrotas, 2016, p. 11).

- Rural youth tend to locate work by age 25 after leaving school, usually in farming, home enterprises, and construction (Making Cents International, 2016, pp. 1-2).
- By age 30-35, youth in urban areas have usually established a long-term work attachment, often in informal retail, home enterprises, manufacturing, construction, and professional services (Making Cents International, 2016, pp. 1-2).
- Gender plays a key role in school-to-work transitions as young women face challenges such as early marriage, childbirth, lower educational attainment, and limited ability to own land and other assets (Making Cents International, 2016, pp. 1-2).
- Numerous constraints in the agricultural sector limit formal-sector job opportunities, but profitable self-employment, wage labour, and informal sector opportunities exist for youth in downstream activities such as processing, transport, trading, and service provision (Making Cents International, 2016, pp. 1-2).
- Allen et al. (2016, p. 24) explore the sources of new jobs for the three age categories—youth (15-24 years), young adults (25-34 years) and adults (35-64 years). The results suggest the largest share of the total number of new jobs created between the two survey periods for Nigeria is still coming from farming. Hence, it appears that farming will continue to be an important source of jobs for the youth in Nigeria.
- A study by Ghebru et al. (2018) uses panel data set from the Living Standards Measurement Study-Integrated Surveys on Agriculture (LSMS-ISA) in Nigeria conducted in 2012/13 and 2015/16 to explore the role of land access in youth migration and youth employment decisions. There is a lack of data showing youth exiting the agricultural sector in Nigeria, however, studies suggest that such exits have occurred at a relatively higher rate than in other sectors since the discovery of oil. A recent study by Maïga et al., (2015) indicates that youth (16-35) in Nigeria now spend 62.8% less time employed in agriculture than older age groups. Their analysis suggests that the youth is leaving agriculture to go to non-agricultural jobs, with youth in the southern parts of the country exiting at a faster rate than those in the North. Analysis by Ghebru et al. (2018, p. iii) show that overall “the size of expected land inheritance is significantly and negatively associated with long distance migration and migration to urban areas” in Nigeria. Analysis by others also found strong evidence “that the larger the size of the expected land inheritance the lower the likelihood of the youth being involved in non-agricultural activities and a higher chance of staying in agriculture” (Ghebru et al., 2018, p. iii).
- There are 17.3 million Micro, Small, and Medium Enterprises (MSMEs) in Nigeria, 99.87% of which are microenterprises, and MSMEs collectively produce only 32.4 million jobs, fewer than two per enterprise (Making Cents International, 2016, p. 1).

Agrifood youth employment in Nigeria

In Nigeria, 90% of rural youth are engaged in agrifood system work. On average, rural youth in Nigeria allocate 70% of the time that they spend working to their households’ farms (IFAD, 2019, p. 74).

A study by Allen et al. (2016) explored agrifood¹¹ youth employment and engagement in sub-Saharan Africa, with a focus on Nigeria, Rwanda and Tanzania, and focusing on men and

¹¹ Allen et al. (2016, p. iv) define the agrifood system as the set of activities, processes, people, and institutions involved in supplying a population with food and agricultural products.

women between 15-35 years of age. They found that the literature on employment dynamics in sub-Saharan Africa indicates that overall labour “is moving sharply out of farming as the economies transform, yet farming remains extremely important for livelihoods and economic growth in all these countries” (Allen et al., 2016, p. vi). However, for Nigeria Allen et al. (2016)¹² found slow or no exit from farming. This is in slight contrast to a World Bank (2016) report, which finds that employment in Nigeria is slowly shifting away from agriculture. The Allen et al. study disaggregated data looking at two different age groups. The 25-34 year age group is significantly less likely to be engaged in farming than is the 15-24 year group in each country, suggesting that youth may start in farming due to lack of other alternatives, but then look to leave it when they find better options (Allen et al., 2016, pp. vi-viii).

Sectoral growth predictions

The 2015 Nigeria Jobs Report: *More, and More Productive, Jobs for Nigeria – A Profile of Work and Workers* (World Bank, 2016), identifies trends in future job needs and areas and sectors of the economy where potential jobs would need to be created:

- Continued high fertility rates in Nigeria imply that, for several decades to come, the working-age population is set to increase rapidly in absolute terms: by some 66 million people between 2010 and 2030, compared to an increase of 35 million people between 1990 and 2010 (World Bank, 2016, p. 43).
- Some 40 to 50 million (or more) additional jobs will be needed to employ Nigeria’s population between 2010 and 2030. These numbers translate into over 2 million additional jobs per year, mostly taken up by new entrants to the labour market (World Bank, 2016, p. xx).
- As of 2014, nearly half of the population was living in urban areas; by 2030, 60% of the population may be in urban areas (World Bank, 2016, p. xxi).
- Agriculture and small non-agricultural household enterprises in both rural and urban areas will nonetheless account for the bulk of new jobs for the foreseeable future (World Bank, 2016, p. xxii).
- Poor investment climate conditions are seen as the most significant problem to expanding businesses. The private sector is skewed heavily toward smaller firms (World Bank, 2016, p. xxii).
- The household enterprise sector is likely to continue to absorb a significant share of those leaving agriculture, through more self-employment (World Bank, 2016, p. xxiii). The income activities of household enterprises are broad and diverse, and little is known about how to expand their income potential (World Bank, 2016, p. 51).
- Agriculture will remain the largest employer for some time and, unless growth in the non-agricultural sector becomes highly labour-intensive, employment in agriculture is expected to increase in absolute terms (World Bank, 2016, p. xxiii). Other recent studies (Filmer & Fox, 2014; Townsend et al., 2017; Allen et al., 2016) also reflect this finding. Informal household enterprises are also key for current and future employment.

¹² Allen et al. (2016, p. v) utilised nationally representative and multi-year survey data from the Living Standards Measurement Study with its Integrated Surveys of Agriculture (LSMS-ISA), Labor Force Surveys, and the Integrated Public Use Microdata Series in their analysis.

- In Nigeria, the contributions of manufacturing industries, information and communications technology (ICT), and entertainment services to recent economic growth show the significant potential for entrepreneurship, innovation, and economic dynamism (World Bank, 2016, p. 41). This was also reflected by Treichel (2010, p. 5) who suggests the growth strategy for Nigeria should focus on the services and manufacturing sectors, highlighting **light manufacturing, construction, ICT, wholesale/retail, meat and poultry, oil palm, and cocoa** as sectors with the highest employment potential (Treichel, 2010, p. 5). The feasibility of accomplishing growth in these sectors varies widely by geographical area.

A number of other sources have highlighted the following sectors as being important for job growth in Nigeria:

- In Nigeria, based on food demand projections, employment in **food processing** is expected to grow in the near-term (Allen et al., 2018, p. 16). Treichel (2010) argues that in Nigeria “the employment potential of the agriculture sector is limited relative to other value chains, given that future growth in this sector will rely largely on improvements in productivity” limiting its potential for large-scale job creation (Treichel, 2010, p. 5). However, “higher growth in meat and poultry and food processing, which have high employment potential, will stimulate growth and employment in agriculture” (Treichel, 2010, p. 6).
- Some manufacturing growth could still be achieved in large domestic and regional markets in Nigeria and its neighbours, but this would require, for example, robust regional trade (IFAD, 2019, p. 215).
- Food away from home (FAFH) (i.e. prepared food and beverages purchased for consumption outside the home, including informal street food) should generate high quality jobs for youth in Nigeria, even if the absolute number of jobs they will support will not be as large as in other sectors (Allen et al., 2016, p. viii). FAFH is also an important sector for women.

4. Strategies for youth employment

There are many national and donor interventions and programmes taking place aimed at the youth unemployment problem in Nigeria and. This section provides some highlights of recent key strategies at the national level, and donor activities in the area of youth employment.

National strategies

Reviewed National Employment Policy (2017)

This outlines strategies that will enable the creation of decent work through various methods, prominent among which are: the re-invigoration of the private sector; transformation of agriculture; provision and maintenance of physical infrastructure; improved market access for private businesses; and availability of credit facilities. The strategy highlights the constraints to inclusive growth in Nigeria as being directly related to poor physical infrastructure, poor human capital formation, particularly, in the education system, and the inability to transform output growth to job creation (Federal Republic of Nigeria, 2017, p. 13).

Nigerian Youth Employment Action Plan (2019-2023)

This plan¹³ was developed by the Federal Ministry of Youth Development (FMYSD), as a strategy to respond effectively to the youth employment challenge in Nigeria. The major objectives of the plan are to address fragmentation and harness technical and financial resources for meaningful impact. It details needed actions in support of employment creation for youth in critical economic and social sectors and outlines the financing, implementation, monitoring and evaluation frameworks. The plan targets young people and has changed the age bracket definition from 18-35 years to focus on 15-29. Thematic focus areas include entrepreneurship, youth in agriculture and youth and ICT.

Donor activities and support

The Netherlands

Challenge Fund Youth Employment (CFYE)

In 2019, the Netherlands Ministry of Foreign Affairs will set up a new Challenge Fund in support of employment opportunities for youth, with special attention for young women. The aim of the *Challenge Fund for Youth Employment (CFYE)* is to create economic prospects - via decent work and income - for up to 200,000 young men and women in the Middle East, North Africa, Sahel, and Horn of Africa. The fund will focus on supporting scalable solutions of the private sector, civil society and knowledge institutes. The USD 171 million fund will run for at least seven years (2019-2025). It is anticipated that the first Call for Proposals will be launched end of 2019 or early 2020. Nigeria is thought to be one of the priority countries.¹⁴

Germany (GIZ)

Skills Development for Youth Employment (2018-2022)¹⁵

Based on the integrated employment approach, the project will improve the employability of Nigerian youth and young adults in the construction and agriculture sectors, and in the occupational field of industrial mechanics. It is primarily directed at unemployed or underemployed young women and men, and beneficiaries will be young smallholders and MSMEs, skilled workers as well as trainees in the formal sector. The activities of the project are closely interlinked with the GIZ Programmes *Pro-poor Growth and Employment Promotion in Nigeria (SEDIN)* (see below) and the *Programme for Migration and Development*.

Pro-Poor Growth and Promotion of Employment in Nigeria (SEDIN) (Phase III, 2011-2022)¹⁶

The project supports the development of MSMEs. It focuses on three areas: improving access to financial services, improving the legal framework, boosting entrepreneurial skills and strengthening service providers for MSMEs. The focus here is on agriculture (potatoes, rice,

¹³ See <https://www.slideshare.net/youthhubafrica/enhancing-youth-development-and-participation-in-the-context-of-sustainable-development> and <https://www.decentjobsforyouth.org/commitment/190> [accessed 30/10/2019]

¹⁴ Information taken from <https://sustainabledevelopment.un.org/partnership/?p=32132> [accessed 29/10/2019]

¹⁵ See <https://www.giz.de/en/worldwide/72119.html> [accessed 23/10/2019]

¹⁶ See <https://www.giz.de/en/worldwide/20756.html> [accessed 23/10/2019]

tomatoes, chilli and ginger), clothing, leather goods and social housing construction sectors. The project carries out activities in the northern states of Kaduna, Kano, Niger and Plateau along with the southern states of Abia, Lagos, Ogun and Oyo. The project is co-financed by the EU.

IFAD

Livelihood Improvement Family Enterprises Project in the Niger Delta of Nigeria¹⁷

LIFE-ND (2017-2025) aims to address the growing numbers of restive youth by sustainably enhancing incomes and food security and creating jobs for young rural people and women in the Niger Delta. The project will build on the successes of earlier IFAD-supported projects to develop the supply of skilled youth labour, and it will strengthen the capacity of institutions at the state and community levels to work with private sector actors. LIFE-ND will be implemented in the nine Niger Delta states: Abia, Akwa Ibom, Bayelsa, Cross River, Delta, Edo, Imo, Ondo and Rivers. It will engage 25,500 youth and women, and 600 established and potential enterprise incubators.

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¹⁷ Information taken from <https://www.ifad.org/en/web/operations/project/id/2000001043> [accessed 30/10/2019]

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